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Mehta, Arpita

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Critical Success Factors for the Successful Customer Relationship Management: A Conceptual Case Study

Arpita Mehta
Research Scholar

Abstract

Customer Relationship Management (CRM) technology have integrated the latest information technology, including: internet and E-commerce, multi-media technology, data warehousing data mining and artificial intelligence. This is all about the value of customer relationship management. It congregates the scattering data through the process of analysis, it provides a comprehensive and holistic view of certain individual customers. Customer Relationship Management originated and prevailed among western companies, it has already spread in many East Asian countries, such as: Japan, Korean, India and China etc. In order to improve the existing CRM implementation process and enhance the success rate of the CRM implementation, we present the most important Critical Success Factors for the CRM implementation through literature reviews, the chosen CSFs were based on previous studies in the CRM implementation field, focus on the identification of CRM projects, whether they have achieved success or subject to obscure deficiency. Subsequently, the literature study will provide us a group of CSFs which considered to be a comprehensive summarization of those most important factors for CRM implementation projects. It is a challenging work, still some points are summarized

Keywords: CRM, CSF, Relationship Marketing, Case Study

Introduction

“CRM is not just a ‘project’ that can be compartmentalized. It’s an evolutionary process – new CRM processes and initiatives happen every year – it’s the way a company organizes itself” (Campbell, 2003, p. 378). For many organizations CRM became popular to overcome issues of increased competition, expanding markets and increasing customer expectations (Richard & Jones, 2008). The objective of CRM is to create a customer-oriented organization that maximizes customer value and long-term organizational profitability through realization of mutual beneficial, durable relationships with customers (Zablah et al, 2004; Shah et al, 2006;

Chen & Popovich, 2003). With a CRM approach the organization is able to treat its customers on an individual and unique basis (Bose, 2002). Better serving the customer improves long-term customer loyalty, satisfaction and retention (Chen and Popovich, 2003; Chang, 2007). The change in organizational focus is strongly supported and encouraged by developments in IT (Shah et al, 2006; Payne & Frow, 2004; Boulding et al, 2005).

The Gartner Group first announced CRM as a management philosophy and perceived it as a holistic perspective for the management of the enterprises, also the companies will equip with better communication skills. Primarily, it came as an answer to the increase in loss of the customers (Rosenberg & Czepiel, 1984). According to (Gartner report, 2009), the cost of winning a new customer are five times higher than that of maintaining an existing customer, while Reichheld and Sasser (1990) estimated that the retention of an additional 5% of customers, can increase profit by nearly 80%. The CRM vendors have created spectacular images thrives on the booming expectations towards CRM’s benefits for the organization. For those organizations who plan to implement such systems as part of the business strategy. However, a huge number of CRM projects fail, the efforts are proved to be in vain (Coltman, 2006). The current situation of CRM in Chinese commercial banks may encounter the identical obstacles as the contemporary foreign banks in Europe once had, the rate for successful implementation of CRM in the Chinese commercial banks is below 30%, hardly justify the investment on implementing the CRM systems (Gartner report, 2009).

After many years of enthusiasm, customer relationship management (CRM) – which may be basically defined as a strategic approach with the objective of creating improved shareholder value through profitable and long-term customer relationships (Payne and Frow, 2005) – faces an ambivalent discussion today. The reason is that CRM projects can achieve high ROI, but also suffer from high failure rates. The upside, for instance, is reflected by the fact that the worldwide CRM software market is expected to grow by an average

annual rate of 10 % up to \$13.3 billion in 2012 (Mertz, 2008). Moreover, companies still spend large amounts of money on CRM projects (Thompson, 2008). The downside is reflected in reported failure rates of up to 70 % (Langerak and Verhoef, 2003; Reinartz et al., 2004) – which should be subject to critical analysis, of course. In order to reduce these failure rates, much IS research has been conducted with respect to CRM-related critical success factors (CSFs). CSFs are the few fields of action where satisfactory results drive competitive performance (Rockart, 1979). Interestingly, most CSF studies take on a project or technological perspective. They thereby neglect that the former often leads to quite abstract CSFs and that reducing CRM to

technological issues is a key reason of failure (Kale, 2004). Mostly neglected is the organizational perspective, i. e. the setting – in the sense of structures and processes – in which people execute operational CRM processes and CRM systems are embedded. Nevertheless, organizational CSFs are necessary to achieve CRM objectives. Just to mention two examples: If it is a CSF to involve the back office as customer contact point, organizational CRM processes should be shaped respectively in order to improve overall customer care. If it is a CSF to analyze the reasons why order were won or lost, the CRM system should provide adequate functionality in order to foster organizational learning.

Table: CRM definitions

Pepper and Rogers 1999	CRM that is created to have a mutual relationship between seller and the buyer.
Wyner 1999	CRM is a business strategy that increases volume of transaction, revenue and customer satisfaction.
Blattberg and Deighton 1993	CRM approach is based on positive relationships with customers to increase customer loyalty.
Xu 2002	CRM is an idea about how a company can keep most profitable customers by increasing the value of interaction.
Swift 2001	CRM is an approach to understanding and influencing customer behavior by meaningful communications to increase customer retention, loyalty and profitability.
Bose 2001	CRM increases customer value, also it can be used to motivate valuable customers to remain loyal.
Goldenberg 2000	CRM is a one to one approach that tries to have the most information regarding customers.

A broad strategic approach needs development of a strategic vision, understanding customer value in the multichannel setting, using suitable IT and CRM applications, having excellent processes, high-quality execution of those processes and services (Payne & Frow, 2005). To reflect this holistic and strategic view, they define CRM as ‘a strategic approach that is concerned with creating improved shareholder value through the development of appropriate relationships with key customers and customer segments. CRM unites the potential of relationship marketing strategies and IT to create profitable, long-term relationships with customers and other key stakeholders. CRM provides enhanced opportunities to use data and information to both understand customers and co-create value with them. This requires a cross-functional integration of processes, people, operations, and marketing capabilities that is enabled through information, technology and

applications’ (Payne & Frow, 2005, p. 168). Chen and Popovich (2003) agree to this perspective by mentioning three key dimensions that need to be integrated; people, processes and technology. They argue that a fully and successfully implemented CRM strategy is a ‘cross-functional, customer-driven, technology-integrated business process management strategy that maximizes relationships and encompasses the entire organization’ (p. 673). Zablah et al (2004) add to this that CRM is an on-going process and not a onetime implementation project.

Later,(Fred Wiersema,2000) Fred Wiersema conducted careful investigations and analysis among large amount of the renowned companies. The results comprehensively explained that the customer focused relationship maintenance. (Roger Cartwright,2001) Roger Cartwright pointed out: to satisfy the customers need is no longer the ultimate goal for

organizations. Only through providing an innovative user experiences can bring back the customers. Paul Temporal and Martin Trott(2002)discussed the principles of brand building in the CRM and illustrated that to achieve the success of CRM ,the companies must completely shift to customer-centric strategy, and that a "structural change of thinking" should be emphasized as the core strategy of the company. Maintenance of the customer relationship is therefore cost-effective. It has become a vital part for most of the organization's business strategy, prompting extensive deployment of Customer Relationship Management (CRM) systems (Morgan & Hunt, 1994; Kim et al., 2003).

Firms produce according to the customers' expectations and due to these changes it is preferred that companies concentrate on small customer segments. Hence, close relationship with customers increased (Chatham et al., 2002)since they are not same in their wants and expectations. According to the techniques of customer relationship management, relationship marketing focuses on individual customers. The firm must also be customer centric rather than product focused. Companies that focus upon customers try to serve them in the best manner to satisfy them. It can be done by integrating marketing activities and the business process of the company. They also adopt themselves with changes; hence, they will be more flexible to respond to changes in customers' needs (Field and Shutler, 1990, Bowen and Hedges, 1993, Conlon, 1999, Prabhaker, 2001, Flint et al., 2002, Bigné et al., 2004).In the present study the researcher is trying to identify the success factors of customer relationship management .

Following from the abovementioned, it can be said that an organization needs appropriate processes to collect, analyse and apply customer information into all organizational areas to increase value delivery to the customer. An organization can benefit fully from the advantages of CRM when they approach it in a holistic way (Payne & Frow, 2004).study of AMR Research revealed that the popularity of CRM is growing; in 2007 the CRM software market was worth \$14 billion, a 12 per cent growth compared to 2006. This research predicted a further growth of the market to over \$22 billion in 2012 (Lager, 1 July 2008). Strategic factors are the first category of CSFs for CRM execution. This category is related to the enablers and barriers that have to do with decisions and activities that determine the position and direction of the organization. This is an important category for CRM, because CRM is meant to create a competitive advantage for the organization in the

holistic and strategic perspective. An organization's strategy is the basis for its competitive advantage. When these factors are not attuned during the CRM project it becomes difficult, or even impossible to make other CRM related changes; organizational changes should be made in order to contribute to the organization's strategy (Daft, 2006).This final category is related to the implementation project itself. These enablers have to do with the implementation of the project and change management. Implementation can be made successful by making changes in leadership, structural design, human resources and information and control systems. A strategy's success depends on the implementation of thoughts into action thereby using managerial, administrative and persuasive abilities. When the manager carries out the plans himself, employees are more committed to contribute as well (Daft, 2006). There is only one boss – the customer. And he can fire everybody in the company from the chairman on down, simply by spending his money somewhere else' (S. Walton, n.d.).

Shaw and Reed (1999) gave out their definition about CRM as an interactive approach which aims at achieving that an optimum balance between corporate investments and the satisfaction of customer needs to generate maximum profit in aspects such as marketing, sales, and service. The goal of implementing the CRM is to continuously advance the business working flows and apply the updated knowledge to better serve the customers. However, implementation of such a system is not a panacea, and is not sufficient to transform a production oriented organization into a customer-oriented one (Kanji, 2002; Chang, 2005).Gummesson (2002b) has considered four fundamental values for relationship marketing. First, the activities regarding relationship marketing do not focus upon a specialized department. This means there must be a marketing orientation of the whole company. Second, relationship marketing emphasizes on long-term collaboration, so companies should view their suppliers and customers as partners(Hallén et al., 1987), where the goal is to create mutual value. The relationship must be meaningful for all those involved, with the purpose of retaining long- term relationships with parties. Third, all parties should accept responsibilities. Relationship must also be interactive(Guenzi and Pelloni, 2004) which means customer can initiate improvements or innovation of the product(Gupta et al., 2004). Fourth, customers should be considered as individuals, suppliers' task is also to create value for the customers. Thus,

obviously it can be said that all these ideas lead to customer relationship management.

Gray and Byun (2001) explain that the concept of customer relationship management is very easy. Instead of focusing on a mass of people or companies, it goes for each individual customer. A one-to-one approach tries to have information on a customer's needs and wants, so the products and services offered will be accepted better. Peppers and Rogers (1999) believe that "some organizations consider customer relationship management as a technology that extends separate databases and sales force automation tools to bridge sales and marketing functions in order to improve targeting efforts. However, to other organizations customer relationship management is a tool specifically designed for one-to-one customer communications, a sole responsibility of sales and service, call centers, or marketing departments."

All the strategies have to be systematically implemented in the information systems, so the emphasis on process does make sense. CRM architecture (Geib et al., 2004) is composed of the relevant business processes which have been identified through a comprehensive analysis. The processes are varied as: CRM delivery process: processes with direct contact to the customer, and CRM analysis and support processes: processes that collect and analyze the customer information that will require a wide-ranging overhaul of organizational structures, employee training and rewarding system, as well as appropriate IT support (Chen & Popovich, 2003). Related to the holistic approach described in the previous section, critical success factors of CRM execution are identified from literature. The selected articles are a mix of conceptual and empirical findings. According to the authors CRM execution is affected by these factors. An organization should assess and align these aspects to the specific context before CRM execution can be effective (Eid, 2007); the effect of an enabler differs over organizational contexts (Mendoza et al, 2007; Boulding et al, 2005; Zablah et al, 2004).

Goldenberg (2000) has emphasized, "Customer relationship management is not merely technology applications for marketing, sales and service, but rather, when fully and successfully implemented a cross-functional, customer-driven, technology-integrated business process management strategy that maximizes relationships and encompasses the entire organization. Customer relationship management

business strategy leverages marketing, operations, sales, customer service, human resources, research and development and finance, as well as information technology and the internet to maximize profitability of customer interactions." Reichheld (2000) and Bin-Xing (2005) has explained those companies that have applied customer relationship management resulted in more competition, higher revenues and lower operational costs; it also increases customer satisfaction and retention rates. In the same way Kassanof (2000) has explained customer relationship management brings customer loyalty and profitability such like repeat purchases and longevity that means customers understand that they are benefiting because of time saving and money as well as receiving better information and

special treatment. In fact, CRM has developed as an approach based on maintaining positive relationships with customers, increasing customer loyalty, and expanding customer lifetime value (Blattberg and Deighton, 1996).

Some advantages that appear from effective CRM are improved possibilities to target profitable customers, integrated offerings across channels, personalized marketing messages, increased profits and improved customer relationships (Richard & Jones, 2008; Ko et al, 2008). Ryals (2005) found for example an improvement of 270 per cent of a department's profits by applying CRM measures. On the contrary, organizations face disadvantages as well, especially when they do not pursue a clear and consistent definition of CRM (Chen & Popovich, 2003; Rigby et al, 2002; Richard & Jones, 2008). They are not able to measure their results from CRM, and are thus not able to make necessary adjustments (Richard & Jones, 2008; Lindgreen et al, 2006). (Nguyen, 2007) pointed out that CRM processes were all supported by the information systems, in which large amount of data can be stored and processed. The request and delivery of the customer information can be facilitated. (Shahnam, 2000) Shahnam categorized the CRM systems into three sub-categories: Operational CRM systems which can improve the efficiency of the existing business, and support relevant business processes. Analytical CRM systems which can store and process the customer information which handled by the data warehousing tools or relational database systems. Last but not least, collaborative CRM systems which can manage the customer-company interactions and keep consistent communication. However, this broadness in defining CRM and differences in perspectives regard it could be a result of a new emergence of the concept into two fields of

study, marketing and information technology (DaSilva and Rahimi, 2007).

The strategic factors express the direction the organization is planning to go. However, strategic factors do not result in a successful business by themselves. This second category of factors is concerned with the development of the organization to support the followed strategy. These factors are the components that shape and structure the organization to contribute to successful execution of the chosen strategy. The organization should be structured in the way it fits in the environment the organization operates in, i.e. economic, political, legal, regulatory, social and technological environment. Organizational design is an ongoing process to align the environment, the strategy and the organization which are constantly changing and evolving (Roberts, 2007).

Finally, Versleijen and Pradham(2000) have asserted that in recent years, companies have a new trend to implement customer relationship management as a factor that will allow them to survive in the new market conditions, favoring the relationship with their customers. Regarding the definitions of CRM, there have been many definitions made by several researchers. Among them is Wyner (1999) who has defined customer relationship management as a business strategy that increases volume of transaction. It tries to increase profitability, revenue, and customer satisfaction. Bose and Sugamaram (2003) have explained that customer relationship management is about managing the knowledge on customers to understand and serve them better. It is an umbrella concept that places customers at the centre of an organization. Thus, customer service is an important part of CRM. In addition, CRM is also concerned with coordinating customer relations across all business functions, points of interaction and audiences.

What became clear is that CRM is about creation of value for the customer. Therefore collecting, analysing and applying customer data is essential (Chang, 2007; Payne & Frow, 2005; Chen & Popovich, 2003; Zablah et al, 2004). Although value creation and customer knowledge are important concepts in customer relationship literature, conceptualization of CRM is not clear, because it is labelled in many different ways. For instance, Zablah et al. (2004) found 45 definitions of CRM which they divide over five perspectives: process, strategy, philosophy, capability, and/or technological tool.

Others distinguish CRM in a particular technological solution, wide-ranging technology and a holistic approach (Payne & Frow, 2005) and in technology, business and consumer perspectives (Teo et al, 2006). When an organization wants to implement CRM, involved parties need to be on the same level to work towards a common objective. The way they pursue CRM, significantly affects acceptance and practices of CRM (Payne & Frow, 2005; Zablah et al, 2004).

Swift (2000) has defined customer relationship management as an enterprise approach to understanding and influencing customer behavior through meaningful communications in order to improve customer acquisition, customer retention, customer loyalty, and customer profitability. Thus, according to explanations and the stated definitions of CRM, the researcher concluded that generally, all the definitions of Customer Relationship Management revolve around creating a kind of situation that incorporates customers in the best way. CRM implementation also leads to mutual relationship that is beneficial for both companies and customers. Companies will be able to render products and services to customers at the right time and right place.

This category of CSFs is related to the capabilities of employees with regard to their job tasks which have to contribute to the strategy. Two elements of strategic human resource management are employee skills and employee behavior. These aspects are argued to affect sustainable competitive advantage (Barney et al, 2001). With regard to CRM within an international organization's subsidiary, this is expected to be mainly about the skills at the operational level, although the local management teams are involved in the strategic development as well. Headquarters is in charge of the strategic part of CRM. Daft (2006, p. 401) argues that 'a new idea will not benefit the organization until it is in place and being fully used'. An idea can only be implemented and being used in the optimal way when the employees have the skills and behavior that are needed to support it.

Laplaca(2004) has emphasized that customer relationship management is a mutual relationship between the customer and the seller that is beneficial to both. Dyche(2002) believes that CRM is the infrastructure that enables the delineation of an increase in customer value and the correct means by which to motivate valuable customers to remain

loyal-indeed to buy again. Xu (2002) states that basically, customer relationship management is an idea regarding how a company can keep their most profitable customers by increasing the value of interaction. The value is maximized through differentiation of the management of customer relationships. In another definition Xu has explained that customer relationship management is a notion regarding how an organization can keep their most important customers and at the same time reduce costs, increase the values of interaction consequently maximize the profits.

AMR Research showed that only 20% of CRM software projects were successful around 1996. This increased to over 70% in 2001 (Kerstetter, 2001). More recent AMR Research revealed that the failure rates for the years 2005, 2006 and 2007 respectively were 18%, 31% and 29% (Krigsman, 2009). Over the years organizations became more and more satisfied with CRM software projects in their companies, but a significant number is still dissatisfied. This means that there are opportunities to improve CRM projects.

Thus, although organizations expect high benefits, it is not easy to reach satisfaction on a CRM project as it costs lots of time, energy and money. For effective execution of a CRM project it is important to understand which aspects are affecting it; this increases the chance of positive results.

Employees 'make or break' an organizational strategy. Besides the abovementioned skills, they have to be willing to cooperate. As mentioned, skills and attitude contribute to a person's behavior. It is necessary to have employees with the right attitude to collaborate with a strategy or project. Daft (2006) mentions four reasons why employees would refuse to cooperate in a change process; self-interest, lack of understanding and trust, uncertainty, and different assessments and goals. To stimulate collaboration he suggests communication and education, participation, negotiation, coercion and top management support. Thus, besides the right skills, the employees need supporting attitudes which together determine employee behavior.

The Eight Building Blocks of CRM



Source: Gartner Research

Research Questions

- What are the major reasons which can lead to the failure of the CRM implementation?
- Can you discuss the advantages for having CSFs in CRM implementation?
- What are the challenges and problems for CRM implementation?
- As you've mentioned the human factor plays a very important role for the success of CRM, can you tell me why?
- Why we need the CRM systems? Can you describe clearly about the benefits of CRM?
- What does a CRM business strategy include?

Research Objectives

- To identify the critical success factors for the customer relationship management
- To increase the understanding of CRM
- To identify the critical failure factors affecting the implementation of CRM
- To justify and validate the summarized critical success factors (CSFs) and suggest how to best reach success according to these factors

Exploring CRM implementation failures

According to Hackney(2000), although CRM software vendors may be able to entice organizations with promises of all-powerful applications, till now there is no such perfect solution. And Schweiger(2000)suggested that possible risks such as project failure, inadequate return on investment, unplanned project budget revisions, unhappy customers, vanished employee confidence, and diversion of key management time and resources must be well thought out. Later Mr.Mier Ai(2004) pointed out that most commercial banks do not consider themselves as agents providing services to customers where customer are clients who deserve to be well treated. We have pointed out that the success

rates of CRM implementation is relatively low which can not neither match up with the huge investments on the CRM projects, nor to meet with the expectations of the management team. Thus many researches have been done on finding out the reasons which lead to the failure of CRM projects(Rigby, 2002; Zablah et al, 2004). There are many reasons that can cause the failure of the CRM. Overall, those reasons are related with different components and processes of the CRM(Goodhue ,2002). Some of the factors such as top management support, transparent internal process, clear link between the CRM project and the company's business strategy, concern on the ROI(return on investment)will eventually contribute to the success of the CRM implementation(Sherif & Newby, 2007) . From another perspective, (Chalmeta, 2006) Chalmeta presented some of the factors that lead to the failure of the CRM, such as:

- ☐ Take CRM just as a technology
- ☐ Insufficient support from the management
- ☐ Not focus on customer
- ☐ Business process is not ready for CRM
- ☐ Very poor data quality
- ☐ Strategy and vision are vague
- ☐ Customer haven't been involved during the CRM solution design

Besides this, Forsyth (2001) conducted a research on 700 companies to study the causes of the CRM project failure, including: organizational change (29%), company policies/inertia (22%), little understanding of CRM (20%), and poor CRM skills (6%). King and Burgess(2007)summarized four main pitfalls for CRM implementation :

- ☐ Implementation of CRM without properly set the customer strategy
- ☐ Adopt CRM solution without evaluate the company's situation
- ☐ Prefer advanced CRM technology instead of accessing their suitability.
- ☐ Not focus on retaining the customer

In sum, the main reasons that lead to the failure of CRM project are identified through literature study which had been listed above. The possible measure to deal with these problems can be solved through the clear identification of success factors .

CRM failure : Lack of top management support (Sherif and Newby, 2007; Chalmeta, 2006)
CRM failure causes: Lack of customer's involvement (Plakoyiannakiet al,2008 ; McCalla et al, 2003)
CRM failure causes: lack of managing (poor) structure change and redesign (Kale, 2004; Forsyth, 2001)
CRM failure causes: lack of managing culture change(Chalmeta, 2006; King and Burgess, 2007)
CRM failure causes: Lack of skilful employees (Forsyth, 2001; (Bohling et al, 2006)
CRM failure causes: Lack/poor of CRM measures (Mendoza et al, 2007)
CRM failure causes: Poor data quality, management, and integration: (Chalmeta, 2006); Kale, 2004; Missi et al, 2005)
CRM failure causes: Poor IT management/integration (Brink, 2005 ; Meyer and Kolbe,2005)
CRM failure causes:: Lack of crossfunctional/ inter-departmental integration (Sherif and Newby, 2007; Mayer, 2005)
CRM failure Lack of clear CRM strategy and vision (Sherif and Newby, 2007; Chalmeta, 2006)

Literature Review

Extant literature about CRM discusses critical success factors (CSFs) for CRM in general and success factors in some industries, e.g. financial services and automotive industry (Payne & Frow, 2005; Campbell, 2003; Lindgreen et al, 2006). In line with the objective to increase value for the customer, there is one article that identifies types of value customers are looking for and that are offered by luxury organizations (Tynan et al, 2010). Another article elaborates the reasons why luxury brands should apply CRM, the results CRM might realize and what needs to be done to preserve the luxury status (Cailleux et al, 2009). The way organizations approach their customers is changing over time. A rough distinction in business approaches can be made between product orientation and customer orientation. Being customer-oriented is becoming of more interest by organizations, because these organizations are able to improve their customer relationships. Thereby they create more loyal and satisfied customers which results in better organizational results in the short-term and long-term (Chen & Popovich, 2003). Organizations develop relationship management programs to improve relationships with their customers (Campbell, 2003), for example by using relationship marketing instruments as loyalty programs and direct mailings (Verhoef, 2003).

To execute those programs successfully, internal organizational factors need to be involved and adapted (e.g. Keramati et al, 2010; Zablah et al, 2004; Lindgreen et al, 2006). Therefore, Chen and Popovich (2003) suggest 'alignment of people, processes and technology within an enterprise-wide, customer-driven, technology-integrated and cross-functional organization' (p. 675). Some studies have been carried out to determine critical success factors of CRM implementation. First, the definition of

critical success factors will be described and then the factors will be discussed. Croteau (2003) says, "Critical success factors for CRM are the limited number of areas that must achieve satisfactory results to make CRM implementation a success."

Mankoff(2001), Meredith(2000), Nguyen (2007) explained that from the beginning of the project, the expected goals or benefits from implementing CRM should be determined. However, some organizations make it clear, but many projects fail since this factor has been ignored. It should be clarified what the company is trying to get from CRM. Is the company trying to enhance customer satisfaction? Is the company attempting to reduce the customer retention rates? Is the company trying to improve customer response times? To achieve all these objectives there are some solutions, but they should be prioritized, and then the CRM technology should be selected accordingly. The needs of CRM project should be guided by the business goals. The features that do not help company to provide better services and products to customers should be removed (Mankoff, 2001). The tools and technology of CRM should be matched with the systems in the company(Meredith, 2000). It means that try to change the tools of CRM as a natural part of customer service interaction. For example, a major manufacturer of pet foods producer has designed pop-up screens for the toll-free consumer phone line. In this system, the final pop-up screen impelled the representative to ask customer's name and address, but after they have understood this, it is becoming more natural if representatives themselves ask the customers "What's your name?" "Where are you calling from?" and "What's your pet's name?" in the beginning of the call (Anderson et al., 1994). Customers and end users should participate in the designing as well as the functioning of CRM project, so they will have a better idea on

how CRM support them. In addition, by employees' active participation, managers will not face any resistance from them(Ribbers and Schoo, 2002, Wilson et al., 2002, Croteau and Li, 2003, Mendoza et al., 2007, King and Burgess, 2008, Shum et al., 2008).

Employees at all levels have to gather information on CRM implementation accurately. If they are well-informed about CRM project, the implementation of the project is expected to be successful and the data will be used merely in other CRM projects (Anderson and Kerr, 2002). Not only the cooperation of all employees is needed to implement CRM, the cooperation and support from executives also have a great role in the success of the project, thus, top managers must actively support the project. In some cases, CRM implementation is crucial for company and the top executives and managers should inform all employees of the company (Mendoza, 2007). Training of the end-users is also very important, it means that rendering and arranging training courses can be a great help to implementation of the project since it leads to the success of the project. It should be considered that training must be done in the beginning of CRM project(Bose, 2002). In another word, by training, employees will understand fully the positive impacts of CRM technology to render better products and services to customers so, they will accept the changes easier. It should be considered that to be supported by employees, they should be involved from the very beginning of the project (Mankoff, 2006).

According to the success factors of CRM, the researcher concluded the followings: To provide the basics of CRM such as CRM software from inside the company so, no mismatch between the business process and CRM software will occur. Top managers and all employees should participate deliberately in the implementation of the technology. In addition, top managers and CEOs have to get feedback regularly to be sure that all departments are well integrated. Employees training will be helpful since they know the purposes of CRM implementation and how they have to work with it, so managers will not see any rejection from employees.

According to vision and mission of organization, the goals and the expected results of CRM implementation should be clarified, so every one that is engaged with the technology knows how much work should be done to achieve the desired results. Success factors have received increasing attention within the literature of CRM. Many publications of researchers and practitioners have addressed the area of CRM success factors (Pan et al. 2007, Becker et al, 2009, Bohling et al, 2006, Callieux et al, 2009, Campbell, 2003, Chen and Popovich, 2003, Eid, 2007, Helander and Moller, 2007, Keramati and Mehrabi, 2009, Keramati et al, 2009, Kim et al, 2002, Kim and Kim, 2009, Lindgreen et al, 2006, Mendoza et al, 2007, Payne and Frow, 2005, Radcliff, 2001, Rigby et al, 2002, Ryals and Knox, 2001, Shah et al, 2006, Teo et al, 2006, Wu, 2008, Yu, 2001, Zablah et al, 2004).). Following Tables are a summary for the previous studies on the CRM success factors.

Table: The development of CRM

Year	Issues
1950s	<input type="checkbox"/> <input type="checkbox"/> Consumers were impressed by glitz and glamour in marketing and sales presentations. <input type="checkbox"/> <input type="checkbox"/> Cooperation between sales and marketing does not exist <input type="checkbox"/> <input type="checkbox"/> Mass marketing swiped a big chunk of sales' role
1960s	<input type="checkbox"/> <input type="checkbox"/> Marketers struggled to deliver different messages to different generations.
1970s	<input type="checkbox"/> <input type="checkbox"/> Product focus was on being hip or cool as consumer knowledge increased.
1980s	<input type="checkbox"/> <input type="checkbox"/> Customers started seeing more options and more opportunity to have things their way and demanding more individual attention, responsiveness and customization. <input type="checkbox"/> <input type="checkbox"/> Early customer contact management applications began to appear. <input type="checkbox"/> <input type="checkbox"/> Marketing and sales focused on aiming messages at the individual customers.

1990	<ul style="list-style-type: none"><input type="checkbox"/> <input type="checkbox"/> Database marketing technology started marking its way to the desktop.<input type="checkbox"/> <input type="checkbox"/> First packaged contact management solutions appeared.<input type="checkbox"/> <input type="checkbox"/> Formal telemarketing programs, multilevel customer service solutions within industry segments were introduced.
1997-2000	<ul style="list-style-type: none"><input type="checkbox"/> <input type="checkbox"/> The CRM market place began to mature.<input type="checkbox"/> <input type="checkbox"/> The market for front-office solutions focused on customers grew explosively.<input type="checkbox"/> <input type="checkbox"/> The use of ERP systems to manage the back and expanded.
1999	<ul style="list-style-type: none"><input type="checkbox"/> <input type="checkbox"/> Companies will rapidly adopt service-based CRM. Mobile CRM solution will appear.<input type="checkbox"/> <input type="checkbox"/> Componentised CRM services and peer-to-peer CRM will be introduced.<input type="checkbox"/> <input type="checkbox"/> Continued growth in web-enabled CRM is expected.<input type="checkbox"/> <input type="checkbox"/> Custom CRM solutions appeared.<input type="checkbox"/> <input type="checkbox"/> Customer interaction on the Web began.<input type="checkbox"/> <input type="checkbox"/> Disparate functions by sales, marketing and service are finally linked together evolving what relationship marketing needed a long time ago.<input type="checkbox"/> <input type="checkbox"/> First packaged sales force automation solutions became available.

King and Burgess (2007)	Top management support	Communication of CRM strategy	KM capabilities	Willingness to share data	Willingness to change process	Technological readiness	Cultural change / customer orientation	Process change capabilities	System integration capabilities				
Da Silva and Rahimi (2007)	CRM philosophy	Project mission	Top management commitment	Project schedule and plan	Client consultation	Connectivity	Skilful personnel	Technical tasks	Client acceptance	Monitoring and feedback	Communication	Troubleshooting	BPS and software configuration
Pan and et al. (2007)	Evolution path	Timeframe	Reorganization	Minimize customization	Time and budget management	Customer involvement	No culture conflict	Use of the CRM system managers	Measurement	Management involvement			
Alt and Puschmann (2007)	Evolution Path	Timeframe	Organizational redesign	System architecture	Change management	Top management support							
Mendoza et al (2006)	Senior management commitment	Creating of multidisciplinary team	Objective definition	Interdepartmental integration	Communication the CRM strategy to the staff	Staff commitment	Customer information management	Customer service	Sales automation	Marketing automation	Support for operational management	Customer contact management	Information systems integration
Saloman et al (2005)	Top management commitment	Change in corporate culture	Significant customer data	Clearly defined CRM processes	Sufficient resources	Understanding of customer behaviour	Extensive IT support						
Chalmeta (2005)	Awareness among management	Defining vision and objectives	Creation of committee	Official appointment of coordinates	Development and approval of the project	Monitoring to control time slippage	Prevent resistance to change	Motivate staff	Measure the degree of participation/Assess the results				

					plan										
Roh et al. (2005)	Process fit	Customer information quality	System support	Efficiency	Customer satisfaction	Profitability									
Eid (2007)	Top management support	Organizational culture	Developing a clear CRM strategy	Clear project vision/scope	Benchmarking	Employee acceptance	CRM software selection	Integration with other systems	Training	Realistic CRM implementation schedule	Enterprise performance metrics for CRM	Personalization	Customer orientation	Data mining	
Siebel (2004)	Clear communication of Strategy	Back-office integration	Software customization												
Chen and Chen Roh et al. (2005) (2004)	Champion leadership and internal marketing	Business-IT alignment	System integration	KM	Culture/structure change										
Croteau and Li (2003)	Top Management Support	Technological Readiness	KM capabilities												
Goodhue et al. (2002)	Top Management Support	Vision	Willingness to change process	Willingness to share data											

Wilson et al (2002)	Gain champion / sponsor	Ensure market orientation	Define approval procedures which allow for uncertainty	Gain board awareness of strategic potential of IT	Identify need for business system convergence	Organis e around customer	Address culture change	Involve users in system design	Manage IT infrastructure	Leverage models of best practice	Rapid strategy /action loop to experiment	Protot ype new processes	Manage for delivery of benefits	Desig n for flexibility
Mankoff (2001)	Establish measurable business goals	Align business and IT operations	Get executive support up front	Let business goals drive functionality	. Minimize customization by leveraging out-of-the-box functionality	Use trained, experienced consultants	Active ly involve end users in solution design	Invest in training to empower end users	Use a phased Training rollout schedule	Measure, monitor, and track				
Wilson et al. (2002)	Gain champion /sponsor	Ensure market orientation	Define approval procedures which allow for uncertainty	Gain board awareness of strategic potential of IT	Identify need for business system convergence	Organis e around customer	Address culture change	Involve users in system design Design for flexibility	Manage IT infrastructure	Leverage models of best practice	Rapid strategy/ action loop to experiment	Prototyp e new processes	Ma nag e for delivery of benefits	
Goodhue et al. (2002)	Top management support	Vision	Vision (again)	Willingnes s to change processes	Willingness to share data									
Croteau and Li (2003)	Top management support	Technol ogical readiness	Knowledge management capabilities	Technological readiness (again)										
Siebel (2004)	Clear communication of	Back-office integrati	Software customization											

	strategy	on				
Chen and Chen (2004)	Champion leadership and internal marketing	Business-IT alignment	System integration	Knowledge management	Culture/structure change	Business-IT alignment (again)

Critical success factor	Reference
Alignment with key stakeholder groups Channel integration Company-wide CRM CRM capabilities employees (operational and management) CRM goals/objectives CRM strategy Cross-functional cooperation Customer data collection Customer knowledge Customer segmentation Customer systems integration Customer-centric culture Customer-centric philosophy Customer-oriented processes (operational and management) Employee behavior/attitude Incentive system Information technology Internal communication Management attitude Market orientation Organizational alignment Organizational structure Performance measures Project champion Training program	Becker et al, 2009,Bohling et al, 2006, Callieux et al, 2009,Campbell, 2003, Chen and Popovich, 2003,Eid, 2007, Helander and Moller, 2007,Keramati and Mehrabi, 2009,Keramati et al, 2009, Kim et al, 2002,Kim and Kim, 2009, Lindgreen et al, 2006,Mendoza et al, 2007, Payne and Frow, 2005,Radcliff, 2001, Rigby et al, 2002,Ryals and Knox, 2001, Shah et al, 2006,Teo et al, 2006, Wu, 2008,Yu, 2001,Zablah et al, 2004

Alignment of CRM and business strategy / with IT strategy / with key stakeholders (Langerak and Verhoef, 2003; Bohling et al., 2006; Rigby et al., 2002)
Approval procedures allowing for uncertainty (Wilson et al., 2002)
Board awareness of strategic potential of IT (Wilson et al., 2002)
Continuous evaluation (Bose, 2002; Payne and Frow, 2006; Bull, 2003)
CRM ownership at corporate level (Bohling et al., 2006)
CRM process (Kim et al., 2002)
Customer-centric organization (Langerak and Verhoef, 2003; Wilson et al., 2002; Bose, 2002; Rigby et al., 2002; Payne and Frow, 2006)
Design for flexibility (Wilson et al., 2002)
Effective sourcing strategy (Kim et al., 2002; Bull, 2003)
Effective targeting strategy (Bull, 2003)
Focus on customer needs (Rigby et al., 2002)
Identification of customer/decision interaction points (Bose, 2002)
Integration of external expertise / Project Team Skills (Kim et al., 2002; Bose, 2002; Payne and Frow, 2006)
Knowledge management capabilities (Croteau and Li, 2003)
Long-term perspective / Staging project / Holistic approach (Langerak and Verhoef, 2003; Bose, 2002; Rigby et al., 2002)

Provision of all necessary customer information / Customer data redesign (Bose, 2002)
Realistic expectations / Feasibility study (Langerak and Verhoef, 2003; Bose, 2002; Payne and Frow, 2006)
Solid training program (Bose, 2002)
Top management support (Langerak and Verhoef, 2003; Bohling et al., 2006; Croteau and Li, 2003; Wilson et al., 2002; Bose, 2002; Bull, 2003)
User involvement during system design (Kim et al., 2002; Wilson et al., 2002)

Limitations

This paper analyzes the CSFs of CRM, based on research of the previous studies in western countries. The summary of the CSFs acts as a guide for improving the success rates of CRM projects. The literature, which have been evaluated is limited since the current research on this subject are insufficient, thus this leads to the identified CSFs from literature study, and will reflect more of the western world scenarios. The decision of selecting only literature study instead of other research methodologies was based on the purpose of conducting a concentrated, and in-depth investigation towards the identified research questions. Of course, adopting various methods can have advantages in providing more comprehensive views. And at the mean time, limit the chance of wrong doings during the research.

Proposed Framework

Critical Success Factor (CSF) is defined as a method that can help the organizations to identify the factors which considered to be critical for its success, and the ignorance of such factors always lead to the failure and loss of the organization (Huotari and Wilson, 2001). This method has been widely applied to many industries, and cited in various fields of study. (Esteves and Pastor 2001) Esteves and Pastor defined CSF as the limited number of areas in which results, if satisfactory, will ensure competitive behavior for the organizations. Esteves and Pastor (2001) defined that the success factors are a group of factors which stands for certain purposes, if those factors have been well achieved, it will ensure the satisfactory result of the project. Below is a list of CSFs

- Actively involve end users in solution design
- Address culture change
- Align business and IT operations
- Alignment of CRM and business strategy / with IT strategy / with key stakeholders
- Alignment with key stakeholder groups
- Approval procedures allowing for uncertainty

- Awareness among management
- Back-office integration
- Benchmarking
- Board awareness of strategic potential of IT
- BPS and software configuration
- Business process redesign
- Business-IT alignment
- Champion leadership and internal marketing
- Change in corporate culture
- Change management
- Channel integration
- Clear communication of strategy
- Clearly defined CRM processes
- Client acceptance
- Client consultation
- Communication the CRM strategy to the staff
- Company-wide CRM
- Connectivity
- Continuous evaluation
- Creating of multi disciplinary team
- Creation of committee
- CRM capabilities employees (operational and management)
- CRM goals/objectives
- CRM ownership at corporate level
- CRM philosophy
- CRM process
- CRM software selection
- CRM strategy
- Cross-functional cooperation
- Culture/structure change
- Customer contact management
- Customer data collection
- Customer information management
- Customer information quality
- Customer interaction
- Customer involvement
- Customer knowledge
- Customer orientation
- Customer satisfaction
- Customer segmentation
- Customer service

- Customer systems integration
- Customer-centric culture
- Customer-centric organization
- Customer-centric philosophy
- Customer-oriented processes (operational and management)
- Data management (quality/ fluency)
- Data mining
- Define approval procedures which allow for uncertainty
- Defining vision and objectives
- Design for flexibility
- Development and approval of the project plan
- Effective sourcing strategy
- Effective targeting strategy
- Efficiency
- Employee behavior/attitude
- Employee training
- Employees acceptance
- Ensure market orientation
- Enterprise performance metrics for CRM
- Establish measurable business goals
- Evolution Path
- Evolution path
- Extensive IT support
- Focus on customer needs
- Gain board awareness of strategic potential of IT
- Gain champion/sponsor
- Get executive support up front
- Identification of customer/decision interaction points
- Identify need for business system convergence
- Incentive system
- Information systems integration
- Information technology
- Integration of external expertise / Project Team Skills
- Integration with other systems
- Interdepartmental integration
- Internal communication
- Internal department cooperation
- Invest in training to empower end users
- Involve users in system design Design for flexibility
- IT systems(management/integration)
- Knowledge management capabilities
- Knowledge management capabilities
- Let business goals drive functionality
- Leverage models of best practice
- Long-term perspective / Staging project / Holistic approach
- Manage for delivery of benefits
- Manage IT infrastructure
- Management attitude
- Management involvement
- Management support
- Market orientation
- Marketing automation
- Measure the degree of participation/Asses the results
- Measure, monitor, and track
- Measurement
- Minimize customization by leveraging out-of-the-box functionality
- Monitoring and feedback
- Monitoring to control time slippage
- Motivate staff
- No culture conflict
- Objective definition
- Official appointment of coordinates
- Organize around customer
- Organizational alignment
- Organizational culture
- Organizational redesign
- Organizational structure
- Performance measures
- Personalization
- Prevent resistance to change
- Process change capabilities
- Process fit
- Profitability
- Project champion
- Project mission
- Project schedule and plan
- Prototype new processes
- Provision of all necessary customer information / Customer data redesign
- Rapid strategy/action loop to experiment
- Realistic CRM implementation schedule
- Realistic expectations / Feasibility study
- Reorganization
- Sales automation
- Senior management commitment
- Significant customer data
- Skilful personnel
- Software customization
- Solid training program
- Staff commitment
- Sufficient resources
- Support for operational management
- System architecture

- System integration
- System integration capabilities
- System support
- Technical tasks
- Technological readiness
- Time and budget management
- Timeframe
- Top management support
- Training
- Training program
- Troubleshooting
- Understanding of customer behavior
- Use a phased Training rollout schedule
- Use of the CRM system managers
- Use trained, experienced consultants
- User involvement during system design
- Vision
- Willingness to change processes
- Willingness to share data

Conclusion

To ensure the success of the CRM implementation, we have already proposed a specific CSF list, here we describe how to best reach success according to these factors. The CRM is not merely a technical solution but also a management strategy can reach to every level, through redesign the business process, a new collaborative structure is constructed, this is the most difficult and decisive part for the whole organization. Since industry are inevitably subject to the planned economy. The insufficient competition result in slow reaction to the market demand and rigid responsive mechanisms which is quite vulnerable compare to the strong competitors from the western companies. From the literature study we learn that the implementation of CRM systems require the relevant business departments to work cooperatively as one integral component, all the business process should be customer-oriented. In practical, the IT consultant told us the measure they took is gradually integrate the information resource, they obtain comprehensive, correct and in time customer data. The expert also told us that through effective analysis of the profit contribution, the managers can make decision on the management strategy, and make corrections on irrational segments. Overall, the efficiency of the organization has been elevated and the customer satisfaction can be increased. Human factors is nevertheless a sensitive and complex issue that any information system has to address (Myers, 2007). We also find out that without the communication and understanding of the senior managers, the CRM project always lead to

failure or the implementation result in deviance with the actual need. While the expert argues to implement a successful CRM system, it always requires the seamlessly cooperation between the managers and technical expert, it is exactly align with the literature study result Which stated that "CRM implementation project should start with identifying the need of the customers, followed with the scientific plan, making relevant choice and training the personnel." Then the implementation stages shall be designed, the last step is to choose the software and then implement the technical solutions. according to the aggregated experiences: the organizational business process has to be redesigned, thus will cause position change and might lead to some employee's unemployment." Judging from the characteristic, it is not surprise to assume: the CRM system will face huge pressures and confront difficulties during the implementation stages. Thus the IT consultant's experience to address this issue is to seek the strong support from the managers, and then ensure the organization to keep steady pace to implement the CRM systems, also maintain a clear objective, thus the sufficient funding support can be guaranteed and the whole team shall move forward and stick the project plan (Becker et al, 2009, Bohling et al, 2006, Callieux et al, 2009, Campbell, 2003, Chen and Popovich, 2003, Eid, 2007, Helander and Moller, 2007, Keramati and Mehrabi, 2009, Keramati et al, 2009, Kim et al, 2002, Kim and Kim, 2009, Lindgreen et al, 2006, Mendoza et al, 2007, Payne and Frow, 2005, Radcliff, 2001, Rigby et al, 2002, Ryals and Knox, 2001, Shah et al, 2006, Teo et al, 2006, Wu, 2008, Yu, 2001, Zablah et al, 2004).

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